



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 14, 2002

H.R. 5127

A bill to amend title 38, United States Code, to provide for payment by the Secretary of Veterans Affairs of dependency and indemnity compensation to the surviving spouse of a deceased veteran who for at least one year preceding death had a combination of service-connected disabilities rated totally disabling that included a compensable service-connected cold-weather injury

As introduced on July 15, 2002

SUMMARY

H.R. 5127 would expand eligibility for dependency and indemnity compensation (DIC) to survivors of certain veterans who had a service-connected injury caused by exposure to cold weather and who were rated totally disabled for at least one year prior to their death. CBO estimates that enacting the bill would increase direct spending by less than \$500,000 in 2003, \$15 million over the 2003-2007 period, and \$72 million over the 2003-2012 period.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 5127 is shown in the following table. The costs of this legislation fall within budget function 700 (veterans benefits and services). This estimate assumes that the bill is enacted early in calendar year 2003.

age-specific mortality rates to these veterans and their survivors, CBO estimates that about 35 additional survivors would be eligible to receive DIC in 2003 under H.R. 5127, and that the number of survivors eligible under H.R. 5127 would increase each year, reaching 400 survivors in 2007 and about 950 survivors in 2012.

According to VA, the average annual DIC payment in fiscal year 2001 was \$11,942. Such payments are adjusted annually for increases in the cost of living. Assuming that new payments would begin in April 2003, CBO estimates that enacting this bill would increase direct spending for DIC by less than \$500,000 in 2003, \$15 million over the 2003-2007 period, and \$72 million over the 2003-2012 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 5127 does not contain any intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Melissa E. Zimmerman

Impact on State, Local, and Tribal Governments: Gregory Waring

Impact on the Private Sector: Allison Percy

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis